

1 MR. OATES: Does the WorldCom proposal
2 provide either party with an opportunity to rebut
3 the proposal? I'm sorry, rebut the presumption.

4 MR. BALL: It should. I don't know if it
5 does or not.

6 MR. OATES: We will agree with that.

7 And paragraph X.5, this is similar to the
8 questions I asked Mr. Kirchberger, Mr. Ball. This
9 is WorldCom's proposal regarding the calculation of
10 the annual growth cap; is that right?

11 MR. BALL: Yes.

12 MR. OATES: Are you familiar enough
13 with--well, let me ask you to look at page 78 of
14 the Remand Order, page 37.

15 MR. BALL: Okay.

16 MR. OATES: About halfway down, the
17 sentence that discusses the calculation of the cap
18 for the year 2001, I referred Mr. Kirchberger to a
19 phrase that appears in the order regarding "minutes
20 for which the LEC was entitled to compensation
21 under the agreement."

22 Is there any such qualifier on the minutes

1 used for the 2001 calculation in the WorldCom
2 proposal?

3 MS. KELLEY: I'm sorry, I can't find where
4 you're reading.

5 MR. OATES: It's in paragraph 78 of the
6 ISP Remand Order. Right about in the geographic
7 center of that paragraph begins the sentence, "For
8 the Year 2001," and towards the end of that
9 sentence there is a phrase, the number of ISP-bound
10 minutes for which that LEC was entitled to
11 compensation under that agreement.

12 MS. KELLEY: I found it, thank you.

13 MR. OATES: You see where I'm looking at,
14 Mr. Ball?

15 MR. BALL: Yes.

16 MR. OATES: Is there any such qualifier in
17 the WorldCom proposal for minutes for which the LEC
18 is entitled to compensation in the formula used to
19 calculate the 2001 cap?

20 MR. BALL: There doesn't appear to be.

21 MR. OATES: And do you agree, Mr. Ball,
22 that the minutes perform AT&T is entitled-- I'm

1 sorry, WorldCom is entitled to compensation for
2 ISP-bound traffic during the first quarter of 2001
3 is a matter of dispute between WorldCom and
4 Verizon?

5 MR. BALL: In many states it is, yes.

6 MR. OATES: Continuing in that paragraph,
7 X.5, your proposal regarding the 2002 cap begins on
8 line 11 and then runs through most of line 16.
9 Could you just read that to yourself, Mr. Ball, so
10 you're familiar with it.

11 MR. BALL: Am I in my testimony now?

12 MR. OATES: Yes, page 46 of your
13 testimony, WorldCom proposed language X.5,
14 beginning on line 11 for ISP-bound traffic
15 exchanged during the year 2002.

16 MR. BALL: Okay.

17 MR. OATES: All right. Now, the
18 Commission's order at paragraph 79 says, (reading)
19 For 2002, a LEC may receive compensation pursuant
20 to a particular Interconnection Agreement for
21 ISP-bound minutes up to a ceiling equal to the
22 minutes for which it was entitled to compensation

1 under that agreement in 2001 plus another
2 10 percent growth factor.

3 Is the WorldCom proposed language
4 consistent with the Commission's language?

5 MS. KELLEY: I'm sorry, which language are
6 you talking about?

7 MR. OATES: The language that begins on
8 line 11 and runs through line 16. I will read it.

9 MS. KELLEY: No, you said consistent with
10 the Commission's language.

11 MR. OATES: The Commission's language that
12 I just read.

13 Let me spell it out again, Mr. Ball.

14 The WorldCom proposal for the 2002 growth
15 cap is what appears in Section X.5 beginning on
16 line 11 and running through line 16 of your direct
17 testimony at page 46; is that right?

18 MR. BALL: Yes.

19 MR. OATES: Okay. That language says,
20 (reading) For ISP-bound traffic exchanged during
21 the year 2002, and to the extent this agreement
22 remains in effect during that year, the information

1 access rates set out in Section X.3.2 shall be
2 billed by MCI to Verizon on ISP-bound traffic per
3 minute of use up to a ceiling equal to the number
4 of ISP-bound minutes originated on Verizon's
5 network and delivered by MCI for the year 2001 plus
6 a 10 percent growth factor.

7 Is that an accurate reading of the
8 language?

9 MR. BALL: Yes.

10 MR. OATES: So, your growth cap--the
11 WorldCom proposal regarding the 2002 growth cap is
12 based on the number of ISP-bound minutes originated
13 to Verizon--originated on Verizon's network and
14 delivered by MCI for the year 2001; is that right?

15 MR. BALL: Yes.

16 MR. OATES: It is not based on the number
17 of minutes for which MCI was entitled to
18 compensation during the year 2001, is it not? Is
19 it?

20 MS. KELLEY: Does that assume there is a
21 difference between those two?

22 MR. OATES: Is there a difference?

1 MR. BALL: Not in my opinion.

2 MR. OATES: All right. Do you agree,
3 then, that the cap, even though your language is
4 different, the cap for which WorldCom is entitled
5 to compensation under your proposal is the number
6 of minutes for which it was entitled to
7 2000--compensation at 2001 plus 10 percent?

8 MR. BALL: Yes.

9 MR. OATES: Do you agree that the WorldCom
10 proposed language could be read differently?

11 MR. BALL: Apparently it is being read
12 differently, so I guess, yes, it's possible.

13 MR. OATES: In your WorldCom Section X.6,
14 which appears on page 47 of your direct testimony,
15 Mr. Ball, is also a change-in-law clause, is it
16 not?

17 MR. BALL: Yes, it is.

18 MR. OATES: And do you know one way or
19 another whether the contract contains a general
20 change-in-law clause or at least their proposals
21 exchanged on the general change-of-law clause?

22 MR. BALL: I don't know for a fact, but

1 I'm sure there is.

2 MR. OATES: It's your understanding,
3 though, that Section X.6 is a--is proposed as a
4 change-in-law clause that's unique to the issue of
5 compensation for ISP remand--ISP-bound traffic?

6 MR. BALL: Yes, it does.

7 MR. OATES: All right. Is it correct,
8 Mr. Ball, that the WorldCom proposal gives the
9 right to WorldCom to unilaterally void all of these
10 ISP remand terms is there is, and I quote, any
11 legislative, regulatory, or judicial action rule or
12 regulation that modifies, reverses, vacates or
13 remands the ISP Remand Order? If any of those
14 actions occur under the WorldCom proposal, is it
15 your understanding WorldCom has got an automatic
16 right to void this part of the contract?

17 MR. BALL: Either party has that right.

18 MR. OATES: Either party, okay.

19 Let me ask you now to refer to your
20 rebuttal testimony, Mr. Ball. Let me find the
21 exhibit number here, but page 22 of your rebuttal
22 testimony, WorldCom Exhibit 15. And these are

1 comments that you offered regarding the Verizon
2 proposal on this issue; is that right?

3 MR. BALL: Yes.

4 MR. OATES: Okay. Let me refer you to the
5 paragraph that begins on line 8, page 22, "In the
6 interim."

7 Is that consistent with your version?

8 MR. BALL: Yes.

9 MR. OATES: Okay. You talk here about
10 complicated new formulas aimed at calculating
11 traffic types.

12 Are you referring there, Mr. Ball--again,
13 I don't mean this to be a memory test, so pull out
14 the Verizon proposed language, if you need to, but
15 are you referring to the traffic-factor definitions
16 that Verizon has proposed?

17 MR. BALL: I might need a minute to
18 refresh my memory here.

19 MS. KELLEY: It might help if you tell him
20 where in the Verizon proposal those are.

21 MR. OATES: Yeah, I will do that.

22 If you look at the JDPL, Mr. Ball, it's on

1 page 19 of mine. This is the September 18 version
2 of the intercarrier comp JDPL. At the bottom of
3 page 19 begins a definition for Traffic Factor I
4 and carries over to the next page, and then Section
5 3.1.6 is a definition for Traffic Factor II.

6 MR. BALL: Okay, yes.

7 MR. OATES: Are those the formulas you are
8 referring to in your testimony?

9 MR. BALL: Yes.

10 MR. OATES: Isn't it true those formulas
11 aren't really new, Mr. Ball, that they have been
12 used historically to calculate PIU and PLU factors,
13 PIU become percent of interstate usage and PLU, or
14 PLEW (phonetic), being percent local usage?

15 MR. BALL: I haven't actually analyzed
16 these to see if these are consistent, but there are
17 those types of factors that are used traditionally.

18 MR. OATES: Okay. The first page of your
19 rebuttal testimony, page 23, this is towards the
20 end of issue I-5 testimony, beginning at line 11,
21 you refer to specific Verizon contract language and
22 suggest that Verizon has proposed to redefine the

1 traffic that's subject to recip comp, and
2 specifically exempted several categories from recip
3 comp obligations. Then you cite the Verizon
4 proposed 2.3 and 3.13.

5 Can you just identify for me which types
6 of traffic in those particular contract
7 sections--and I believe they list the same types of
8 traffic, Mr. Ball, so you could go through either
9 one--tell me which ones that WorldCom disagrees
10 with as being exclusions from reciprocal
11 compensation traffic.

12 2.3 begins on page 11 of the JDPL.

13 MR. BALL: Yes, I'm right there.

14 I think the main category of traffic we
15 are concerned with is information access traffic
16 that is not ISP traffic, and that's traffic to
17 other enhanced service providers that traditionally
18 has been treated as local. And if that is
19 excluded, that would be a new limitation that was
20 not anticipated in the FCC's order.

21 MR. OATES: Let me ask you to look at
22 paragraph 34 of the ISP Remand Order. The second

1 sentence in that paragraph states, (reading) Thus,
2 the statute does not mandate reciprocal
3 compensation for exchange access, information
4 access, and exchange services for such access, and
5 then goes on.

6 Hasn't the Commission excluded the
7 information access traffic itself?

8 MR. BALL: Well, I think they defined
9 "information access" as being Internet, ISP
10 traffic. Historically, enhanced service providers
11 have been treated like end users, and their traffic
12 has been treated as 251(b) traffic. So, I think we
13 are arguing about interpreting legally whether
14 non-ISP enhanced service providers are--whether
15 it's local or whether it's information access.

16 MR. OATES: Can you give me an example of
17 the type of traffic that is information access
18 traffic that you believe should be treated as
19 local, subject to reciprocal compensation and not
20 treated in the manner the Commission sets forth in
21 this paragraph 34?

22 MS. KELLEY: I'm sorry, I think his

1 testimony was if you're asking about the ESP
2 exemption, his testimony was he does not think that
3 is information access traffic. If you're asking
4 for an example of ESP traffic, he could probably
5 give you that.

6 MR. BALL: Do you want an example of what
7 enhanced service is?

8 MR. OATES: I understood your testimony,
9 Mr. Ball, to be that Verizon's listing of
10 information access traffic in its 2.3.1 as
11 something that's excluded from recip comp traffic
12 is inappropriate; is that right? Or did I
13 misunderstand you?

14 MR. BALL: We could be kind of splitting
15 hairs. I think we are concerned that information
16 access will be considered more broadly than ISP
17 traffic. If it's Verizon's position that
18 information access is limited to ISP traffic per
19 the FCC order, and all other enhanced service
20 provider traffic is local, then we don't have a
21 disagreement.

22 MR. OATES: We are getting into points of

1 argument here. As long as we understand your
2 position. Obviously, or maybe not obviously,
3 Verizon doesn't agree with that.

4 That's all I have for Mr. Ball. Thank you
5 very much.

6 And Dr. Collins, just a couple of
7 questions. Good morning, first of all.

8 DR. COLLINS: Good morning.

9 MR. OATES: On page 24 of your direct
10 testimony, Cox Exhibit 1--I'm sorry, page 24 of
11 your rebuttal testimony--you indicate, beginning
12 the question on line 9 that asks about specific
13 concerns relating to the I-5 proposal of Verizon,
14 and you indicate that there are two specific issues
15 that Cox has with that proposal, first regarding
16 the definition of Internet traffic.

17 And I just want to confirm that dispute,
18 the dispute you discuss in that language there is
19 something that's been resolved by virtue of, I
20 think it was, Cox Exhibit 19. I'm not asking that
21 you agree with Verizon's proposal but that
22 particular dispute, is it resolved?

1 DR. COLLINS: There are two points related
2 to answering your question. The first point is,
3 that section of the testimony points out that there
4 are two new issues, not two issues, but two new
5 issues.

6 And with respect to the first issue, first
7 one of the two new issues, it is my understanding,
8 subject to check, that that has been resolved.

9 MR. OATES: Okay. And just because so
10 much of it--some of it would be redundant, I won't
11 go through it all again. But if you would,
12 Dr. Cox--Dr. Collins, I apologize, refer to
13 Section 1.5 in the Cox proposed language for issue
14 I-5.

15 DR. COLLINS: Let me arrange with my
16 colleagues to get a copy of that.

17 MR. HARRINGTON: Do you not have the joint
18 DPL?

19 DR. COLLINS: I don't have it in the
20 entirety, and I'm not sure the copy I have is the
21 most recent.

22 MR. OATES: And I tell you what, rather

1 than look in the JDPL, I would suggest that you
2 look in the exhibit that was appended to the Cox
3 September 18 filing, I believe. I don't think the
4 JDPL has got all the language in it.

5 MS. PREISS: What are we looking at? I'm
6 sorry.

7 MR. HARRINGTON: He's referring to the
8 amendment to the Cox petition which contains the
9 disputed language for I-5.

10 MS. PREISS: And this language is not in
11 the JDPL?

12 MR. HARRINGTON: No, it is all in the
13 JDPL, but I think Verizon's difficulty is Cox's
14 language is split among the subissues in the JDPL,
15 and that's probably why they are having trouble
16 finding it.

17 MS. PREISS: I have trouble finding it. I
18 could find I.5.1, I.5.2. Are you talking about
19 I-5?

20 What is the section of the Cox language
21 that you're asking about?

22 MR. OATES: It is--again, I'm looking at

1 the attachment that came with the Cox filing. It
2 may have been the amended petition, September 18,
3 and it is language that appears next to issue
4 I-5(A). It's change-in-law provision.

5 MS. PREISS: If you could bear with us
6 while we find the language.

7 Is that 5.7.7.1.C?

8 MS. FARROBA: If you got a page number in
9 the JDPL, that would be really helpful.

10 MR. OATES: I can't find it in the JDPL.

11 MS. PREISS: I got the attachment now, and
12 I was looking in the judgment JDPL, but we could--

13 MR. HARRINGTON: It is in both.

14 The problem with the JDPL is that one of
15 the parties, which is Cox, used the subissues and
16 the other parties put all their material in the
17 main issue.

18 MS. PREISS: Okay.

19 MR. HARRINGTON: But it's page 35.

20 MS. PREISS: We found it. It's language
21 that begins "Upon the occurrence of"?

22 MR. OATES: Yes, ma'am. That's the

1 language I'm referring to.

2 Dr. Collins, do you have that language in
3 front of you on one document or another?

4 DR. COLLINS: I do.

5 MR. OATES: For clarity, I'm referring to
6 Section 5.7.7.1.C. That's the Cox proposed
7 change-in-law provision, is it not?

8 DR. COLLINS: It is.

9 MR. OATES: Are you familiar enough with
10 the contract, at least in the state it exists
11 today, the negotiations going on between Cox and
12 Verizon, to know that there is or is not a general
13 change-in-law provision in that agreement?

14 DR. COLLINS: I believe that there is.

15 MR. OATES: And is it Cox's position,
16 then, that you need a specific change-in-law
17 provision unique to the ISP-bound compensation
18 issue?

19 DR. COLLINS: It's Cox's position that
20 being doubly sure of the understanding of what will
21 be done in the event of change of law is better
22 than leaving it ambiguous.

1 MR. OATES: Is it your opinion that the
2 general change-of-law provision of the contract is
3 ambiguous?

4 DR. COLLINS: No, that was not the point.
5 Let me restate the position, then, if it's subject
6 to any confusion.

7 And that is, that having a change in law
8 specifically associated with the issue in I-5
9 carries forward the notion that certainly the
10 change-of-law provision in a contract applies to
11 that and does not leave for argument a recent
12 ruling by the FCC has affected in some manner the
13 application of Section 1.5--or the issues of I-5 to
14 the change-of-law provision in the contract.

15 MR. OATES: Dr. Collins, I'm going to ask
16 you to turn to Section 5.7.7.3.B. two little I's.
17 I don't know where it is in the JDPL.

18 MR. HARRINGTON: That's the section headed
19 "Ratio"?

20 MR. OATES: Yes.

21 MR. HARRINGTON: It's on page 41 of the
22 JDPL. On my copy it goes 40 to 41, but apparently

1 printers vary.

2 DR. COLLINS: I may have it. I may be
3 there.

4 MR. OATES: The section I'm looking for--

5 DR. COLLINS: Could you read the first
6 couple of words.

7 MR. OATES: Yes, begins with two little
8 I's in the parentheses, "the billing summary shall
9 include the cumulative minutes."

10 DR. COLLINS: Yes, I'm there.

11 MR. OATES: Read through that section
12 there to yourself, if you would, Dr. Collins, just
13 that two little I's.

14 (Pause.)

15 DR. COLLINS: I have.

16 MR. OATES: Is it Cox's position, as seems
17 to be reflected in that contract language, that the
18 jurisdiction of the call should be based on the
19 NPA/NXX assigned to the calling and called parties?

20 DR. COLLINS: That is Cox's position.

21 MR. OATES: Okay. Do you have the ISP
22 Remand Order in front of you, Dr. Collins? Perhaps

1 you could borrow one from Mr. Ball.

2 DR. COLLINS: I have it. Mr. Ball and I
3 are sharing the joint copy.

4 MR. OATES: If you look at paragraph 14 of
5 the ISP Remand Order, that paragraph talks about
6 the Commission in this case in addressing ISP-bound
7 traffic, but consistent with Commission precedent,
8 the Commission relying on the end points of
9 communication to determine the jurisdiction of a
10 call, does it not?

11 DR. COLLINS: That is what the words say,
12 but you put it in context with the rest of the
13 paragraph. The rest of the words in the paragraph
14 suggest that there is a certain inability to
15 determine what the end points of the communication
16 path are, which supports Cox's position and, I
17 think, the position of the industry in all of the
18 attached billing systems that once a call is handed
19 over to a private network, it's impossible to know
20 what the far end of the completion of that call may
21 be because one is not privy to the information of
22 call flows within that private network.

1 MR. OATES: Do I understand your
2 suggestion to be, Dr. Collins, that if the parties
3 are able to determine the originating and
4 terminating points of a call that that would
5 determine jurisdiction as opposed to the number
6 assignment?

7 DR. COLLINS: No. Cox's position is that
8 the number assignment in the NXX of the calling and
9 called parties should determine the jurisdictional
10 nature of the call.

11 MR. OATES: I have no further questions.
12 Thank you, Dr. Collins.

13 MR. DYGERT: Why don't we take a brief
14 break right now. Say 15 minutes. Be back at
15 11:25.

16 (Brief recess.)

17 MR. OATES: I would like to pose a
18 question to witnesses for all three parties by
19 virtue of a very simple diagram, relying on for
20 purposes of the record, the reader of the record
21 could look at AT&T 36, and I will walk my way
22 through some very minor lines, I guess, that I

1 would draw on there for purposes of asking the
2 questions to the witness.

3 But if I can ask first, Mr. Schell, I
4 guess it is, that you will be responding for AT&T
5 on issue I-6; is that right?

6 MR. SCHELL: Yes, sir.

7 MR. OATES: Are you familiar with
8 Verizon's direct testimony on this issue, which is
9 Verizon Exhibit 5, and specifically with an example
10 that Verizon lays out there regarding a customer in
11 Roanoke and a customer in Staunton?

12 MR. SCHELL: Yes, I am.

13 MR. OATES: Okay. And Mr. Ball, are you
14 answering on behalf of WorldCom?

15 MR. BALL: Yes.

16 MR. OATES: And are you familiar with that
17 example in Verizon's direct, as well?

18 MR. BALL: Yes.

19 MR. OATES: And Dr. Collins, are you
20 familiar with that example as well?

21 DR. COLLINS: Yes, although the
22 hypothetical does not involve Cox because we don't

1 operate in that area. I am familiar with the
2 example.

3 MR. OATES: Thank you. If I might make
4 use of the diagram that's sort of the underlying
5 document, I guess, AT&T Exhibit 36, the diagram
6 labeled "Network Interconnection Discussion
7 Diagrams."

8 MR. DYGERT: Just for the purpose of the
9 record, could I interject that I gather you're not
10 using the--you're assuming the absence of the
11 portion of AT&T 36 that was handwritten on to that
12 chart?

13 MR. OATES: That's correct, that's
14 correct.

15 MR. HARRINGTON: Before Mr. Oates begins
16 to draw, are we going to have this entered as a
17 Verizon exhibit?

18 MR. OATES: I don't believe it's going to
19 be necessary. If the parties or the Commission
20 believes it's necessary, we will certainly do that.
21 But I thought I would use a diagram that I thought
22 was already in the record to simplify things.

1 And for purposes of my questions,
2 gentleman, city A, again relying on the Verizon
3 example in the direct testimony, City A will be
4 Staunton, Virginia, and City B will be Roanoke,
5 Virginia.

6 And I guess I could start with Mr. Schell.

7 On this diagram there appears a Verizon
8 customer in City A, being Staunton, and if that
9 Verizon customer makes a standard telephone call to
10 a CLEC customer located in City B, how is that call
11 routed on this diagram?

12 MR. SCHELL: Today?

13 MR. OATES: Yes.

14 MR. SCHELL: For clarity, who is carrying
15 the call? Is Verizon carrying it? Is a CLEC
16 carrying it?

17 MR. OATES: Well, if Verizon carries the
18 called--let me simplify the question.

19 If the call goes from the Verizon customer
20 at City A, being Roanoke, through the Verizon end
21 office, goes to the tandem, the Verizon tandem, and
22 then goes to the CLEC switch in City A down to the

1 Verizon end office and ultimately to the CLEC end
2 user in City B, so there is a telephone call placed
3 by Verizon customer in the city of Staunton, local
4 calling area of Staunton, to an AT&T customer in a
5 local calling area of Roanoke.

6 MR. SCHELL: Yes, I understand.

7 MR. OATES: Would that be a proper
8 routing, as I have drawn it, essentially running
9 from the Verizon end office to the tandem to the
10 CLEC switch to the Verizon end office in Roanoke
11 and ultimately to the CLEC end user?

12 MR. SCHELL: Yes.

13 MR. OATES: And would that call not be an
14 intrastate access toll call?

15 MR. SCHELL: Yes, today that would be an
16 intrastate access toll call.

17 MR. OATES: Now, if you changed the
18 telephone number that is assigned to the CLEC
19 customer in Roanoke, such that the NPA/NXX is
20 assigned is based on the Verizon or the Verizon end
21 office in the city of Staunton, there is a VFX
22 number assigned, referred to virtual FX or VFX in

1 the testimony.

2 So, the CLEC customer in the local calling
3 area of Roanoke now has an NPA/NXX assigned based
4 on the Staunton--that reflects the Staunton local
5 calling area, and this Verizon customer in Staunton
6 calls that virtual FX number.

7 Is the call routed any differently than it
8 was when it was a standard local intrastate access
9 call?

10 MR. SCHELL: Is it routed any differently?

11 MR. OATES: Yes.

12 MR. SCHELL: Not necessarily.

13 MR. OATES: The call could be routed in
14 precisely the same manner?

15 MR. SCHELL: It could be.

16 MR. OATES: The only thing that changed is
17 the telephone number assigned to the CLEC customer
18 in Roanoke; is that right?

19 MR. SCHELL: Hold on a second.

20 I'm sorry, what I was clarifying with
21 Mr. Talbott is it depends on the POI associated
22 with the two different kinds or the two different

1 NPA/NXXs. If the same switch, the same CLEC
2 switch, is handling both NPA/NXXs, then the same
3 call could be routed in that same fashion.

4 MR. OATES: Okay.

5 MS. PREISS: Could I ask a question, just
6 as a technical matter, and forgive my ignorance,
7 can a CLEC customer in City B be assigned an NXX
8 code associated with the Verizon end office in City
9 A if, as it's drawn, that CLEC customer is served
10 out of Verizon end office in City B over a UNE
11 loop?

12 MR. SCHELL: No. The UNE loop, if you
13 take the UNE loop out of it--part of the problem
14 with the drawing is I was trying to avoid getting
15 into too much detail, but if you take unbundled off
16 that UNE loop and say it's a regular loop, then I
17 think you could do that.

18 MS. PREISS: If it were a regular loop,
19 then, it wouldn't be connected to a Verizon end
20 office if it were an AT&T customer.

21 I'm just asking whether we need to change
22 the hypothetical to get rid of the UNE part of this

1 to understand.

2 MR. OATES: Let me just ask Mr. Schell.

3 How should I diagram a call beginning from
4 a Verizon customer for the city of Staunton ending
5 to an AT&T customer in the city of Roanoke? No VFX
6 number assigned.

7 MR. SCHELL: Just a straight call?

8 MR. OATES: Yes, sir.

9 Tell me how I should correct this diagram.

10 MR. SCHELL: Staunton is--ask your
11 question again.

12 MR. OATES: Verizon customer in City A,
13 which is Staunton, calls AT&T customer in City B,
14 which is Roanoke. Explain to me how I should
15 revise the routing on this diagram to show the
16 proper routing of that call.

17 MR. SCHELL: I think the routing is fine,
18 as it's shown there. I think that is a workable
19 routing. The Verizon customer call goes to his
20 local serving office, the Verizon end office. It
21 could go through the Verizon tandem, which is then
22 connected to the CLEC switch, which switches a call

1 to a Verizon end office in Roanoke, and completes
2 the call to the CLEC customer.

3 MR. OATES: All right. Now, if the CLEC
4 customer is assigned an NPA/NXX from the Staunton
5 local calling area, does the routing of this call
6 need to change?

7 MR. SCHELL: The same routing could still
8 work.

9 MR. OATES: I guess maybe I could simplify
10 the question, Mr. Schell.

11 Isn't it true that whether this customer
12 in Roanoke has an NPA/NXX assigned out of the
13 Roanoke calling area or a virtual FX assignment out
14 of the Staunton calling area, the actual routing of
15 the call from the customer in Staunton to the
16 customer in Roanoke could be the same?

17 MR. SCHELL: The routing could be the same
18 because the CLEC switch would have both of the
19 customers or would have the NPA/NXXs resident
20 within the one switch, the same switch. So, there
21 is only one CLEC switch that would be switching the
22 calls, so the routing would be the same in that

1 particular case.

2 MS. PREISS: I'm still confused. I
3 thought you said that a virtual NXX could not be
4 assigned to the CLEC customer in City B if that
5 customer were served by a UNE loop. Would the CLEC
6 switch know to send that call to the Verizon end
7 office in City B? It's getting NXX code out of the
8 Verizon tandem in City A?

9 MR. SCHELL: I think maybe where the
10 confusion comes in, if it's an unbundled network
11 loop and this configuration will work, if we were
12 reselling the loop, if we were reselling Verizon's
13 service, then we would have to change the drawing.

14 MS. PREISS: Okay. So, did I
15 misunderstand your answer to the question?

16 MR. BALL: I think I can clarify.

17 MS. PREISS: Okay.

18 MR. BALL: The unbundled loop actually
19 starts at the CLEC switch and is connected through
20 the Verizon end office, but there is no switching
21 there.

22 MS. PREISS: Is that the FX facility?

1 MR. BALL: It's a very long loop from the
2 CLEC switch down to CLEC customer B. Once it gets
3 the CLEC switch is just connected--that customer's
4 call is connected.

5 MR. SCHELL: The unbundled loop could be
6 connected this way, and it would not go through
7 that switch, so in that sense the drawing is not
8 correct. This is what I was saying earlier. This
9 particular loop would be connected directly to the
10 CLEC switch.

11 MR. OATES: A regular call or whether this
12 customer, rather the CLEC customer has an NPA/NXX
13 assigned based on the Roanoke local calling area or
14 Staunton calling area, that routing as you have
15 drawn it would be the same; is that right?

16 MR. SCHELL: It could work for either
17 call.

18 MR. OATES: Mr. Ball, do you agree with
19 that, that the routing doesn't have to change when
20 you have a virtual FX assigned?

21 MR. BALL: Yeah. I think what you're
22 describing is basically the nature of the CLEC

1 network architecture where there is a single switch
2 that serves multiple areas. So, it's actually,
3 from Verizon's perspective, a very efficient
4 arrangement because they only have to deliver calls
5 to a single switch, so the writing will not change
6 whether it's going to City A or B.

7 MR. DYGERT: Just for the record, let me
8 make sure we have a description of the diagram
9 because we have been referring to it as this and
10 that.

11 At this point, the call flows as it was
12 previously described up to the CLEC switch. Then,
13 instead of going through the switch in the Verizon
14 end office, it bypasses that switch going directly
15 to the CLEC customer.

16 MR. SCHELL: That's correct.

17 MR. DYGERT: Okay.

18 DR. COLLINS: Excuse me, but I need to
19 make a point representing Cox's interest, if you
20 don't mind.

21 MR. DYGERT: You will have a chance when
22 Mr. Oates gets to you with his questioning.

1 MR. OATES: I will offer you an
2 opportunity on this. In order to simplify this, I
3 think I made it more complex.

4 The routing of a call from a Roanoke or
5 Staunton local calling area to the Roanoke local
6 calling area could be exactly the same, whether the
7 CLEC in Roanoke has an NPA/NXX assigned out of the
8 Roanoke local calling area or the Staunton local
9 calling area; is that correct?

10 MR. SCHELL: That's correct. And that's
11 exactly the CLEC's point.

12 MR. OATES: Let me ask the next question,
13 and--

14 MR. SCHELL: I would like to finish the
15 answer that I have.

16 MR. OATES: You answered the question I
17 asked you, thank you.

18 And Mr. Ball, do you agree with that?
19 Routing could be exactly the same, no matter
20 whether the CLEC customer in Roanoke has an NPA/NXX
21 assigned of the Roanoke local calling area or the
22 Staunton local calling area, the call from the

1 Staunton customer, the Roanoke customer, could be
2 exactly the same.

3 MR. BALL: Yes. Any call to that CLEC
4 switch will be routed the same.

5 MR. OATES: Dr. Collins, do you agree that
6 that routing could be exactly the same in the call
7 that I scribed?

8 DR. COLLINS: There are two aspects of it
9 that--

10 MR. OATES: Dr. Collins, please answer the
11 question.

12 Could the call be routed in exactly the
13 same manner, whether it's a number assignment out
14 of a Roanoke local calling area or the Staunton
15 local calling area?

16 DR. COLLINS: Without any regard to who is
17 paying for what, the answer is yes, the call could
18 be routed the same.

19 MR. OATES: Thank you. I apologize for
20 the confusion. I hoped that would simplify rather
21 than complicate those matters.

22 DR. COLLINS: Let me say Cox has not been

1 given the opportunity that I was told we would
2 have.

3 MR. OATES: Dr. Collins, I did indicate
4 that I would allow you to explain your comments, so
5 please do so.

6 DR. COLLINS: Thank you. The comment I
7 wanted to add to it, which I think clarifies the
8 situation significantly, is that Verizon's carrying
9 of that call is the same in both circumstances, and
10 its responsibility terminates at the CLEC switch.
11 What happens after that, the call rides on the CLEC
12 network in each one of the two alternatives. And
13 whether it's an FX, VFX number assignment or
14 whether it is not, the call does follow the same
15 routing from the CLEC switch down to the
16 terminating point at the called customer, but all
17 of that is done using the network of the CLEC and
18 using--having a CLEC pay for the full carrying
19 costs. So, there is no change as far as Verizon is
20 concerned, either routing nor cost function.

21 MR. OATES: Do you agree, Dr. Collins,
22 that in the two different scenarios, one with an

1 NPA/NXX assigned out of Roanoke for the customer in
2 City B and another for the customer in City B gets
3 an NPA/NXX assigned out of the City A local calling
4 area, that in both of those instances the call
5 begins in the calling area of--call originates in
6 the local calling area City A, and the call
7 terminates in the local calling area of City B?

8 DR. COLLINS: That's correct. And as I
9 understood your hypothetical, these two local
10 calling areas were not the same local calling
11 areas. It was an intra-LATA call.

12 MR. OATES: That's correct.

13 DR. COLLINS: That's the case and that's
14 why it's called "virtual FX," which is the same
15 kind of service that Verizon offers many of its
16 customers, and the CLECs are subjected to them.

17 MR. OATES: And is it not true,
18 Dr. Collins--the diagram we have there, the CLEC
19 switch serving the City A local calling area, that
20 CLEC switch could well be outside the local calling
21 area. We could create a different hypothetical
22 where that call would be routed in that fashion; is

1 that not right?

2 DR. COLLINS: And could be, and presuming
3 there are no POIs or IPs within that local calling
4 area, that could be the case.

5 MR. OATES: I have no more questions on
6 issue I-6 and just a very few on IV-35.

7 MR. DYGERT: I'm sorry? One more time,
8 Mr. Oates.

9 MR. OATES: I said I had no more questions
10 on issue I-6, and then just a few questions on
11 issue IV-35.

12 MR. DYGERT: All right.

13 MR. OATES: Mr. Ball, I guess these all
14 come your way.

15 MR. ARGENBRIGHT: These are actually to
16 me.

17 MR. OATES: I have a couple of questions
18 about your direct testimony, WorldCom 8,
19 specifically starting on page 29, the contract
20 language proposed by WorldCom is set out.

21 MR. ARGENBRIGHT: I'm there.

22 MR. OATES: I'm reading Section 4.2.1 of

1 the WorldCom proposed language, and this section,
2 does it not, Mr. Argenbright, purports to define
3 the term "local traffic"? Is that right?

4 MR. ARGENBRIGHT: As reciprocal
5 compensation relates to it, yes.

6 MR. OATES: It is, in other words, relying
7 on a definition of local traffic to determine what
8 traffic is eligible for reciprocal compensation; is
9 that right?

10 MS. KELLEY: Are you on a particular
11 subsection or all of 4.2.1?

12 MR. OATES: 4.2.1.

13 MR. ARGENBRIGHT: I'm sorry, could you
14 give that to me one more time.

15 MR. OATES: Is it the purpose of 4.2.1
16 relies on a definition of local traffic to
17 determine what sort of traffic is eligible for
18 reciprocal compensation? Is that right?

19 MR. ARGENBRIGHT: I believe it refers to a
20 method of determining local traffic through
21 comparison of NPA/NXXs as opposed to defining it
22 specifically. I don't know if that's too fine a

1 distinction or not.

2 MR. OATES: And in the definition of
3 "local traffic," is WorldCom's position that the
4 jurisdiction of the traffic is based on the NPA/NXX
5 assigned?

6 MR. ARGENBRIGHT: By comparison of the
7 calling and called numbers.

8 MR. OATES: Let me ask you about specific
9 information to service--traffic directed to
10 information service providers. Are you aware,
11 Mr. Argenbright, that the Commission has excluded
12 information access traffic from Section 251(b)(5),
13 reciprocal compensation obligations?

14 MR. ARGENBRIGHT: Yeah, I'm familiar with
15 the Remand Order.

16 MR. OATES: And in terms of information
17 service traffic, are you aware that there are no
18 976 calls in Virginia?

19 MR. ARGENBRIGHT: I saw that in the
20 Verizon testimony. I took that at its face value.
21 I did not research that.

22 MR. OATES: You don't have any reason or

1 any basis to refute it, do you?

2 MR. ARGENBRIGHT: No.

3 MR. OATES: If you could, then,
4 Mr. Argenbright, can you explain to me what sort of
5 information--traffic directed to information
6 service providers would be included within the
7 definition of "local traffic," as WorldCom proposes
8 it?

9 MR. ARGENBRIGHT: I think the simple
10 example would be a call to time and
11 temperature-type service, where again that is
12 reached through the dialing of an NPA/NXX which is
13 local to whatever the originating telephone number
14 is.

15 MR. OATES: Turning to page 31 of your
16 direct testimony.

17 MR. ARGENBRIGHT: I'm there.

18 MR. OATES: On line three and four, is
19 this--to make sure I understand this--is this
20 WorldCom's proposed contract language that's
21 indented?

22 MR. ARGENBRIGHT: Yes, that's proposed to

1 amend the language we were just looking at in an
2 effort to recognize the FCC's Remand Order.

3 MR. OATES: And how would you determine or
4 define the term "most" as used in there?

5 MR. ARGENBRIGHT: It would be, if the
6 traffic is destined for the Internet Service
7 Provider, it is excluded. If it is to an
8 information service provider such as time and
9 temperature, it would be included.

10 MR. OATES: Is it your understanding,
11 Mr. Argenbright, that the majority of information
12 access traffic is, in fact, traffic that is
13 ISP-bound?

14 MR. ARGENBRIGHT: I probably would have a
15 hard time supporting that to be the case.

16 MR. OATES: Based on your knowledge, would
17 you not agree that there is a higher volume of
18 traffic to interservice providers than to time and
19 temperature type numbers?

20 MR. ARGENBRIGHT: I think I would agree.
21 The point is that perhaps that is a poor choice of
22 words, but the reality is there is a distinction

1 between those two types of traffic based on the
2 way--on what is actually reached. That's what we
3 are trying to get to.

4 MR. OATES: Right. I understand
5 WorldCom's position on that. I'm simply struggling
6 with the use of the word "most." Would you agree
7 that may be an inappropriate choice of words to
8 describe that type of traffic?

9 MR. ARGENBRIGHT: Yeah, it's probably not
10 worth arm-wrestling over.

11 MR. OATES: And if you would refer--I want
12 to refer you to your rebuttal testimony that's
13 WorldCom Exhibit 24.

14 You see on line 15 of page 22 of your
15 rebuttal testimony, Mr. Argenbright, you make the
16 statement that Verizon has not filed direct
17 testimony that expressly addresses IV-35.

18 MR. ARGENBRIGHT: Yes.

19 MR. OATES: Have you read Verizon's
20 rebuttal testimony regarding intercarrier
21 compensation issues?

22 MR. ARGENBRIGHT: I don't know if I read

1 it, read all testimony. I have read some of it.

2 MR. OATES: I refer you to Verizon
3 Exhibit 19, specifically footnote one on page two.

4 MS. KELLEY: I don't have those by exhibit
5 number.

6 MR. OATES: It's the Verizon rebuttal on
7 intercarrier comp, August 17.

8 MR. ARGENBRIGHT: I don't have that.

9 MR. OATES: My question is,
10 Mr. Argenbright, excuse me, obviously when we filed
11 simultaneous rebuttal testimony, so perhaps at that
12 time, or at that time you would not have seen
13 Verizon's rebuttal, but since that time have you
14 seen the rebuttal testimony of Verizon, in
15 particular the testimony relating to issue I-5,
16 which was the footnote that I referred to on page
17 two, was intended by Verizon to address the IV-35
18 issues?

19 MR. ARGENBRIGHT: Without seeing it, I
20 don't think I can tell you.

21 MR. OATES: Okay. I have no more
22 questions.

1 MR. DYGERT: That concludes Verizon's
2 examination of this panel?

3 MR. OATES: Yes, it does.

4 MR. DYGERT: Thank you, gentlemen. We
5 will excuse you for the time being, and start the
6 cross of Verizon's witnesses. But remember we will
7 want you back.

8 (Off the record.)

9 Whereupon,

10 STEVEN J. PITTERLE
11 was called for examination by the Commission and,
12 after having been duly sworn by the notary public,
13 was examined and testified as follows:

14 MR. DYGERT: Sir, would you identify
15 yourself for the record.

16 MR. PITTERLE: Steve Pitterle,
17 representing Verizon on the panel for issues I-5
18 and I-6 and, I believe, IV-35.

19 MR. DYGERT: Thank you.

20 CROSS-EXAMINATION

21 MR. McRAE: I think I will start. For the
22 record, my name is Michael McRae, on behalf of

1 AT&T. I just have a few questions to ask you on
2 issue I-5.

3 MR. PITTERLE: Okay, good afternoon.

4 MR. McRAE: Good afternoon.

5 Can I refer you to your contract language,
6 and I have used the JDPL language, it's Section
7 3.9. Let me see if I could find the JDPL page
8 reference.

9 Page 16.

10 MR. PITTERLE: I have it.

11 MR. McRAE: And that is a definition of
12 Internet traffic, and the definition, as I have it,
13 and you correct me if this is not the current
14 definition, any traffic that is transmitted to or
15 returned from the Internet at any point during the
16 duration of the transmission.

17 Is that the current contract language with
18 the AT&T contract? Your proposal for the AT&T
19 contract.

20 MR. PITTERLE: Yes, I believe it would be.

21 MR. McRAE: And go down further to 3.13
22 where there is a definition of reciprocal

1 compensation traffic.

2 MR. PITTERLE: Yes.

3 MR. McRAE: And if you go down the middle
4 of that paragraph you will see a statement that
5 says, reciprocal compensation traffic does not
6 include, one, any Internet traffic.

7 Is that also the current state of the
8 contract?

9 MR. PITTERLE: Certainly it's what the
10 contract says at that point. That looks to be the
11 current language in the JDPL and of the proposed
12 language, yes.

13 MR. McRAE: And you are familiar with the
14 FCC--the ISP Remand Order that was released on
15 April 27th of this year?

16 MR. PITTERLE: I'm familiar with the order
17 in general terms, yes.

18 MR. McRAE: And in that order, would you
19 agree with me that the FCC was
20 addressing--throughout the order, addressing
21 primarily traffic to an Internet Service Provider,
22 or ISP?

1 MR. PITTERLE: I believe that was what the
2 order was focusing on.

3 MR. McRAE: And when I go back and look at
4 the language that Verizon has proposed, does
5 that--is the language that Verizon has proposed in
6 the contract, is that designed to meet the FCC's
7 definitions?

8 MR. PITTERLE: Well, if you turn to
9 another section in the contract language under
10 measured Internet traffic, certainly I believe that
11 the definition of measured Internet traffic is
12 where you might be wanting to focus in your
13 questions.

14 MR. McRAE: Let me go back a step, and we
15 will get back to that section.

16 With your term 3.9 where you define
17 Internet traffic, would you agree that that
18 definition appears to be broader than merely
19 traffic to an Internet Service Provider?

20 MR. PITTERLE: Quite frankly, I really
21 wouldn't know how to interpret that other than what
22 it says, and I think I really couldn't answer that

1 with my understanding.

2 MR. McRAE: So, you're not certain whether
3 that language is--if it goes beyond what the FCC
4 ordered in its ISP Remand Order?

5 MR. PITTERLE: No, I am not certain.

6 MS. PREISS: Could I ask a question?
7 Mr. Pitterle, could you tell us whether Verizon's
8 definition of Internet traffic in Section 3.9 of
9 its proposed language is supposed to be the same or
10 different than its definition of measured Internet
11 traffic in Section 3.1.1?

12 MR. PITTERLE: I would tend to rely on the
13 term "measured Internet traffic" for what this
14 language is really focusing on. I think that maybe
15 the term in 3.9, Internet traffic, is just kind of
16 a setup for the real focus, which is measured
17 Internet traffic.

18 MS. PREISS: But then in your Section
19 3.1.3, the reciprocal compensation, does Verizon
20 use the term "Internet traffic" or "measured
21 Internet traffic"? Is it Verizon's intent to read
22 that as measured Internet traffic, not Internet

1 traffic?

2 MR. PITTERLE: I believe there is some Cox
3 language in the record as well that may clarify
4 that.

5 MS. PREISS: Has Verizon proposed the Cox
6 language to AT&T?

7 MR. PITTERLE: I'm not aware that it had
8 in the final form that it has with Cox.

9 MS. PREISS: So, the language that Verizon
10 has proposed to AT&T is the 3.9, the 3.11, and the
11 3.13 language that we have been talking about?

12 MR. PITTERLE: That is still what's in
13 here what was proposed to AT&T from what the JDPL
14 indicates, yes.

15 MS. PREISS: So, you're not able to tell
16 us whether or not the language in 3.13 about the
17 scope of the reciprocal compensation obligation,
18 whether Verizon intends that to be Internet traffic
19 or measured Internet traffic?

20 MR. PITTERLE: I believe Verizon is
21 intending the scope of the issues surrounding the
22 ISP order to be focused on the term "measured

1 Internet traffic" rather than my reading of
2 "Internet traffic" here.

3 MR. McRAE: Let me take you back, then, to
4 that definition of "Internet traffic."

5 I take that to be dialup switched Internet
6 traffic, so you are actually using the Internet
7 traffic definition within the "measured Internet
8 traffic" definition, too; is that true?

9 MR. PITTERLE: I lost you on that.

10 MR. McRAE: Are you using the term
11 "Internet traffic," 3.9, as part of your definition
12 of "measured Internet traffic," which is Section
13 3.11?

14 MR. PITTERLE: What I would state is that
15 measured Internet traffic is itself--it's
16 free-standing on its own and means traffic to and
17 from an Internet service provider, and the focus
18 around Verizon's language beyond that is on that
19 concept.

20 MR. McRAE: Okay. Your definition of
21 "measured Internet traffic" should equate to what
22 the FCC discussed and defined in its April 27th

1 order?

2 MR. PITTERLE: That's my definition.

3 MR. DYGERT: Could you speak up a little
4 more.

5 MR. PITTERLE: That is my definition, yes.

6 MR. McRAE: And that's even though the
7 definition of 3.11 of measured Internet traffic
8 also addresses in that first sentence traffic
9 delivered to a customer or to an Internet Service
10 Provider?

11 MR. PITTERLE: Could you point me to where
12 you're reading, please.

13 MR. McRAE: Go back to 3.11. It's in the
14 first sentence. It talks about dialed switched
15 Internet traffic originated by a customer of one
16 party on that party's network at a point in the
17 Verizon local calling area and delivered to a
18 customer or an ISP.

19 MR. PITTERLE: I would interpret that to
20 be one and the same, from my own personal
21 interpretation.

22 MR. McRAE: So the term "customer" I could

1 consider as ISP?

2 MR. PITTERLE: Yes.

3 MR. McRAE: And throughout your testimony
4 you seem to suggest that the FCC's Remand Order,
5 their April 27th order, is self-implementing. LIIs
6 that a correct characterization of your testimony?

7 MR. PITTERLE: In my testimony I make that
8 statement, that Verizon's proposed language
9 includes language that's outside of the order, and
10 then in certain sections it refers specifically to
11 the order; and therefore, that in itself is
12 implementing on that basis.

13 MR. McRAE: And are you familiar with the
14 FCC's February 1999 declaratory ruling on ISP-bound
15 traffic?

16 MR. PITTERLE: Two years is a long time in
17 this world. Yes, I am aware that that order was
18 released, but the terms of it are no longer fresh
19 in my memory.

20 MR. McRAE: Let me try to refresh your
21 recollection. If does not come back to you, please
22 indicate.